

## Message Text

CONFIDENTIAL POSS DUPE

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61

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 AID-20 IO-14 RSC-01

COME-00 TRSE-00 SWF-02 SP-03 NSC-07 CIEP-03 SS-20

STR-08 OMB-01 CEA-02 CIAE-00 FRB-03 INR-11 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 L-03 H-03 DODE-00 PA-04

USIA-15 PRS-01 DRC-01 /196 W  
----- 050513

R 052248Z SEP 74

FM AMEMBASSY PANAMA

TO AMEMBASSY BOGOTA

JTESGT/AMEMBASSY GUATEMALA 2160

AMEMBASSY MANAGUA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

INFO SECSTATE WASHDC 1716

C O N F I D E N T I A L PANAMA 5218

E.O. 11652: GDS

TAGS: ETRD, PN

SUBJECT: GOP-UB AGREEMENT ON BANANA EXPORT TAX

REF: PANAMA 5217

1. ESSENTIAL ELEMENT OF SETTLEMENT OF EXPORT TAX DISPUTE,  
WHICH HAS NOT BEEN MADE PUBLIC, IS AGREEMENT BY GOP THAT A NEW  
LEVEL OF TAX WILL BE PUT INTO EFFECT WITHIN 15 DAYS OF RESUMP-  
TION OF BANANA SHIPMENTS BY UNITED BRANDS (UB). THIS IS FORE-  
SEEN TO BE A UNIFORM LEVEL AGREED TO BY UPEB MINISTERS AT  
SEPTEMBER 17 MEETING (WHICH GOP EXPECTS TO BE ABOUT 25 CENTS  
A BOX). EXPORT TAX WILL CONTINUE TO BE PAYABLE 60 DAYS FROM  
DATE OF ACTUAL SHIPMENT. FOR THE PERIOD OF UP TO 15 DAYS BEFORE  
NEW LEVEL OF TAX IS SET, UB AGREES TO PAY THE DIFFERENCE BETWEEN  
THAT NEW LEVEL AND ONE DOLLAR A BOX INTO A SPECIAL ACCOUNT,  
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THE SUM OF WHICH WILL LATER BE CREDITED TO GOP IN ANY AGREEMENT  
FOR SALE OF UB PROPERTIES TO GOVERNMENT. THUS GOP WILL BE ABLE

TO STATE IF REQUIRED FOR DOMESTIC PURPOSES THAT UB RESUMED SHIPMENTS WHILE ACCEPTING LIABILITY FOR PAYMENT OF ONE DOLLAR A BOX AS GOP HAD INSISTED ALL ALONG, WHILE UB CAN MAINTAIN TO HONDURAN OR OTHER INTERESTED GOVERNMENT THAT IT IS ACTUALLY PAYING AN EXPORT TAX TO PANAMA NO HIGHER THAN THAT PAID TO OTHER PRODUCING COUNTRIES.

2. FOREGOING IS PROVIDED FOR BACKGROUND OF EMBASSY STAFFS AND SHOULD BE CLOSELY HELD PENDING ANY FURTHER ANNOUNCEMENT OF AGREEMENT DETAILS BY GOP OR UB (TEXT PROVIDED DEPARTMENT).  
JORDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTE SETTLEMENT, CUSTOMS DUTIES, BANANAS, TAX AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974PANAMA05218  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740248-0570  
**From:** PANAMA  
**Handling Restrictions:** n/a  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** PANAMA 5217  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 SEP 2002 by boyleja>; APPROVED <26 FEB 2003 by shawdg>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP-UB AGREEMENT ON BANANA EXPORT TAX  
**TAGS:** ETRD, PN, US, UNITED BRANDS  
**To:** BOGOTA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005